GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Municipal Administration & Urban Development Department –Development of Family Entertainment Centre (FEC) in the GVMC's land to an extent of Ac. 2.70 at D.No.10-3-20, 10-3-19/6,7,8 at Visakhapatnam under Land Lease-Cum-Development Model – Permission to the Commissioner, GVMC, Visakhapatnam to enter into the agreement with M/s. SPI Cinemas Pvt. Ltd. (Developer) –Accorded – Orders – Issued.

MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT (M) DEPARTMENT

G.O.MS.No. 93 Dated: 08-03-2018
Read the following:-

1. APTDC File No. APTDC-21029(31)/3/2017- PRJ-SEC-APTDC.
2. Govt Memo No. 551056/UI/2017, dated 18.04.2017
3. From the Commissioner, GVMC Lr. No. 9854/2016/ACP-3, dated 16.05.2017

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ORDER:

Whereas, in the ref. 1st read above, in tune with the objectives of the Government of A.P., to promote Tourism Industry in a big way so as to generate revenue and employment in the State, the Managing Director, APTDC has stated that, A.P. Tourism Development Corporation has identified certain Tourism projects like Family Entertainment Centres (FECs), Hotels, Resorts, MICE centres, Amusement Parks, Ropeways, Wellness centres, Wayside Amenities, etc. across the State for development under the Land Lease–Cum-Development mode. In this regard, A.P. Tourism Development Corporation have entered into an MoU with M/s SPI Cinemas for development of Family Entertainment Centre (FEC) consisting of MICE, I-Max and Multiplex at Visakhapatnam during the Investor Meet held at Visakhapatnam on 14.09.2015. The land to an extent of Ac.2.70 at D.No.10-3-20, 10-3-19/6,7,8 Visakhapatnam (Urban) belonging to GVMC was identified for this purpose. The Agency, M/s SPI Cinemas have submitted the Detailed Project Report (DPR) and the same was evaluated by M/s KPMG the In-house Consultants.

2. And whereas, the Managing Director, APTDC has further stated that, as the land extent is less than 10 Acres, the APTDC has proposed to take up under the Land Lease Policy. M/s KPMG has evaluated the Financial Offer and recommended to declare the Bidder, M/s SPI Cinemas as the successful bidder. Thus, A.P. Tourism Development Corporation has forwarded the proposal to Government for development of Family Entertainment Centre (FEC) in the GVMC's land to an extent of Ac. 2.70 at D.No.10-3-20, 10-3-19/6,7,8 at Visakhapatnam under Land Lease-Cum-Development Model with M/s. SPI Cinemas Pvt. Ltd. (Developer).

3. And whereas, in the ref. 3rd read above, the Commissioner, Greater Visakhapatnam Municipal Corporation, Visakhapatnam has reported that the Corporation vide Council Resolution No. 747/2017, dated 11.05.2017 has approved the above proposal and requested the Government to take necessary decision on the said issue before taking up the project.

[P.T.O.]

4. Government after careful examination of the matter, hereby accord permission to the Commissioner, Greater Visakhapatnam Municipal Corporation, Visakhapatnam to enter into agreement with M/s. SPI Cinemas Pvt. Ltd., (Developer) for development of Family Entertainment Centre (FEC) in the GVMC's land to an extent of Ac. 2.70 Cents at D.No.10-3-20, 10-3-19/6,7,8 at Visakhapatnam under Land Lease-Cum-Development Model with the following modalities;

i. Payment of Annual Land Lease Rent @ Rs. 4.284 Crores for the first year of lease.
ii. Lease rent will be enhanced 5% against the enhanced lease rent Year on Year (YoY).
iii. The lease period is 33 years only.
iv. GVMC monitors implementation of the project for the entire lease period.
v. Land ownership lies with GVMC only.
vi. APTDC shall bear the preliminary expenses, as it has been initiated and processed by the APTDC on its own, as a Tourism Project.
vii. In addition to the Minimum Development Obligation (MDO) as referred in RFP, the developer viz., M/s SPI Cinemas shall build a 3 Star Hotel having a minimum of 150 Rooms constructed over a period of time on basis of market demand.
viii. The Land along with buildings will vest back to GVMC after 33 years (i.e., completion of lease period), leaving the whole appreciated value of the Land to the GVMC.
ix. Any other conditions stipulated in Request for Proposal (RFP).

5. The Commissioner, Greater Visakhapatnam Municipal Corporation, Visakhapatnam shall take further necessary action accordingly.

[BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH]

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Commissioner, Greater Visakhapatnam Municipal Corporation, Visakhapatnam.
M/s SPI Cinemas, Chennai
The Managing Director, APTDC, Vijayawada.

Copy to:

The District Collector, Visakhapatnam.
The YAT&C Department, AP Secretariat,
The Director of Town and Country Planning, A.P., Guntur, Guntur
The Director of Municipal Administration, AP, Guntur.
G.A (Cabinet) Department.
PS to Special CS to CM (SC)
OSD to M(MA&UD)
PS to Principal Secretary to Govt., MA&UD Dept.,
SC/SF.

//Forwarded :: By Order//

SECTION OFFICER